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Remuneration report 2021

Introduction

This report describes how the guidelines for executive remuneration of Resurs Holding AB, adopted by the annual general meeting 2020 were implemented in 2021. The report also provides information on remuneration to the CEO and a summary of the company's outstanding share-related and share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note K13 in the annual report 2021. Information on the work of the remuneration committee in 2021 is set out in the corporate governance report available on page 77-87 in the annual report 2021.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note K13 in the annual report 2021 and available on page 116.

Key developments 2021

The CEO summarizes the company's overall performance in his statement on page 6-8 in the annual report 2021.

The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer executives a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, pension benefits and other benefits. There is no variable cash remuneration to executives.

As reported in the Company's Annual Report for 2020 Note K 15, the company paid in arrears a remuneration to the former CEO in March 2021 for being available and assist based on the former CEO's experience and expertise i.a due to the pandemic. This was deemed necessary to meet the company's interests. Otherwise, the company has during 2021 complied with the applicable remuneration guidelines adopted by the Annual General Meeting 2020. No other deviations from the guidelines and no other derogations from the procedure for implementation of the guidelines have been made. The guidelines are found on www.resursholding.com/en/corporate-governance/group-management/remuneration-for-senior-executives. The auditor's report regarding the company's compliance with the guidelines is available on www.resursholding.se. In addition to remuneration covered by the remuneration guidelines, the annual general meetings 2019 and 2020 have resolved to implement long-term share-related incentive plans.

The company's outstanding incentive programmes

The company has two outstanding warrant programmes, LTI 2019/2022 and 2020/2023, directed to the company's senior executives and other key personnel in the Group. The warrants

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were issued free of charge to the company's wholly owned subsidiary Resurs Förvaltning Norden AB and were subsequently transferred to the participants for a market-based consideration. This is not recognised as remuneration since the warrants were acquired by the participants for a market-based consideration. One warrant initially entitled the holder to subscribe for one share in the company.

The warrants can be exercised to subscribe for shares during three exercise periods in the third year after the original offer, meaning 2022 for LTI 2019/2022 and 2023 for LTI 2020/2023. The warrants entitled the holder to subscribe for shares in the company at an initial subscription price of SEK 75.60 per share for LTI 2019/2022 and SEK 50.20 per share for LTI 2020/2023¹. The subscription prices have subsequently been re-calculated due to dividends.

A total of 2,081,672 warrants have been allotted to 18 participants for both programmes on 31 December 2021². The CEO participates in LTI 2020/2023 and has acquired 750,000 warrants under the framework of this programme.

Table 1 – Total CEO remuneration in 2021 (SEK)*

Name of CEO (position)	Fixed remuneration				Total remuneration	Proportion of fixed and variable remuneration
	Base salary***	Other benefits	Variable remuneration	Pension expense****		
Kenneth Nilsson (CEO, compensation until May, 2021)**	1 957 083	76 831	0	452 337	2 486 251	100/0
Nils Carlsson CEO	5 026 400	208 151	0	1 435 152	6 669 703	100/0
Jonas Olin (deputy CEO until February 2021)	330 417	19 360	0	162 092	511 868	100/0

* Remuneration earned in 2021

** Remuneration until May 2021, one-off payment conducted in March 2021 of 5 382 tsek

*** Including holiday pay.

**** Pension expense premiums

Application of performance criteria

The CEO has no variable remuneration and thus no performance criteria linked to it. However, see above regarding incentive programs (programs which, however, do not contain any performance criteria, and which do not constitute remuneration because they are pure warrant programs where the CEO acquires warrants with own funds at market value).

¹ The subscription price was determined to correspond to an equivalent of 131.9 per cent of the listed volume-weighted average price paid for the company's share on Nasdaq Stockholm for a period of five trading days calculated from the day after the Board targeted the offer to acquire warrants to the participants. If, when shares are subscribed for, the price paid for the company's shares when Nasdaq Stockholm closes on the trading day immediately preceding subscription exceeds 146.1 per cent of the subscription price according to the above, then the subscription price shall be increased by an amount corresponding to the amount of the aforementioned closing price that exceeds 146.1 per cent of the subscription price.

² Under the framework of the terms and conditions of the programme, the offer to acquire warrants in LTI 2020/2023 could be made to new executives.

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Comparative information on the change of remuneration and company performance

Table 5 – Change of remuneration and company performance over the last five reported financial years (SEK)

	2016 mot 2015	2017 mot 2016	2018 mot 2017	2019 mot 2018	2020 mot 2019	2021 mot 2020	2021
Kenneth Nilsson*	15 000 (+5%)	60 000 (+21%)	35 000 (+10%)	0 (0%)	0 (0%)	0 (0%)	1 957 083
Nils Carlsson **	N/A	N/A	N/A	N/A	N/A	12 000 (+3%)	5 026 400
Peter Rosén ***	10 000 (+7%)	40 000 (+25%)	20 000 (+10%)	30 000 (+14%)	N/A	N/A	N/A
Jonas Olin ****	N/A	N/A	N/A	N/A	N/A	0 (0%)	330 417
Group operating profit	301 302 (+36%)	257 709 (+23%)	89 330 (+6%)	76 137 (+5%)	-275 950 (-18%)	-151 103 (-13%)	1 135 644 000
Average remuneration on a full time equivalent basis of employees***** in the group	27 457 (+6%)	-45 808 (-9%)	26 094 (+5%)	61 201 (+12%)	-12 118 (-2%)	42 072 (+%8)	593 441

* former CEO compensation until 31st of May 2021, one-off payment conducted in March 2021 of 5 382 tsek

** CEO from 1st of June 2021

*** Deputy CEO from September 2015 – October 2019

**** Deputy CEO from April 2020-February 2021

***** Excluding CEO and deputy CEO